



• home ☐ • today's news ☐ • about USN ☐ • USN services ☐ • contact USN ☐ • media services ☐ • news sources ☐ • search ☐



Big Tobacco Demands \$1 Billion Rebate from Tobacco Settlement Says CITMA

3/8/2006 6:21:00 AM

To: National Desk

Contact: Clark Corson of the Council of Independent Tobacco Manufacturers of America, 603-568-3790 Email: intcapstrat@comcast.net

CONCORD, N.H., March 8 /U.S. Newswire/ -- State Treasuries will find themselves with a huge shortfall in tobacco settlement payments this April, as the country's largest tobacco companies demand refunds of over \$1 billion.

Clark Corson, president of the Council of Independent Tobacco Manufacturers of America (CITMA), said: "Legislators in all of the 46 settlement states need to realize that this is the continuation of a series of downward annual adjustments that states will suffer, as big tobacco maintain unfounded claims that they have lost market share due to the effect of the settlement.

"The reality is companies like Philip Morris, Reynolds, Lorillard and Commonwealth Brands, have hiked their prices over the past 6 years, way beyond what was necessary to meet their tobacco settlement payment obligations. These self-imposed price hikes have caused the big companies to lose share to competitors, and now they are telling the states that states must give up vital program funding and hand over one billion dollars. These companies have no shame, they have made record profits on the back of this tobacco settlement, and now they want money back from the states to pump their profits even higher.

"The only way the states can hope to stabilize their revenue from the tobacco settlement, and ensure that they collect every dollar on every pack sold within state borders, is to put in place a straight forward across-the-board 'flat tax' on

every manufacturer. States will suffer steeper and steeper declines in tobacco settlement payments unless, like New Hampshire and Kentucky, legislators seriously review the benefits of switching from collecting settlement money, to collecting direct revenue on cigarettes sold in the state.

"CITMA applauds the legislative initiatives of New Hampshire Senators Gatsas and Clegg, and Kentucky Governor Fletcher, who are spearheading efforts to ensure future stability from tobacco revenues for their respective states. It is sad to note that because of the \$1 billion rebate, this year alone, New Hampshire will suffer a \$7 million reduction and Kentucky will suffer a \$22 million reduction in tobacco settlement money.

"While states scramble to replace essential funding for programs like education, health infrastructure, and agricultural support, it is nice to know the record profits of big tobacco will be fattened even more by money from our state treasury."


<http://www.usnewswire.com/>

-0-

/© 2006 U.S. Newswire 202-347-2770/

[Printer Friendly Format](#)

© 2006 U.S. Newswire

A Division of MediaLink